



NEW ZEALAND HIGH COMMISSION

TE AKA AORERE

CANBERRA

13 October 2003

A/3/3

Mr Stephen Dyer  
Inquiry Secretary  
Joint Standing Committee on Migration  
Parliament House  
CANBERRA ACT 2600

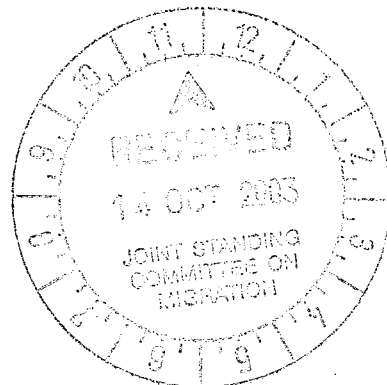
Dear Mr Dyer

I refer to your letter of 12 September requesting the High Commission to provide information on New Zealand's skilled migration policy.

I am pleased to enclose our response from the New Zealand Immigration Service and I trust this information is helpful to the Committee.

Yours sincerely

Kate Lackey  
High Commissioner



## **What does New Zealand consider to be a skilled migrant?**

In 1991, the focus of New Zealand's skilled immigration policy shifted from short-term labour market goals to building human capability over the medium term. The table in Appendix A sets out the various points that different attributes have scored under the 1991 and 1995 General Categories and the General Skills Category. In 1991, New Zealand defined a skilled migrant chiefly in terms of qualifications and work experience. In 1995, the policy was refined, with increased emphasis on the transferability of human capability to New Zealand (qualification recognition, English language ability, and New Zealand work experience). Further refinements in 2002 saw the introduction of a points premium for job offers that were relevant to the applicant's qualifications and work experience, and a tightening of English language requirements.

In December 2003, the new Skilled Migrant Category will replace the existing General Skills Category. A focus of this policy is reducing the time taken for new migrants to settle and contribute. As a result, migrants will be selected on the basis of employability, in addition to longer-term human capacity development.

## **How does New Zealand identify skill shortages for skilled migration purposes?**

Alleviating skill shortages is a focus of three types of policy: general work policy, work to residence policy, and skilled residence policy. The mechanisms used to identify skill shortages under each type of policy are set out below.

### *General Work Policy*

General work policy facilitates the entry of people required on a temporary basis to fill shortages where New Zealand citizens or residents are not available or cannot be readily trained. Generally, the New Zealand Immigration Service (NZIS) determines that suitable New Zealanders are not available by conducting a labour market test that encompasses, inter alia: evidence of a genuine attempt by the employer to recruit New Zealanders; advice from Work and Income New Zealand<sup>1</sup>; and advice from the industry. An employer may either obtain approval in principle to employ foreigners on a temporary basis or have workers apply to the NZIS on a case by case basis.

The NZIS maintains the Occupational Shortages List (OSL) for applications under general work policy. The OSL is a list of occupations deemed to be prima facie in shortage on a regional basis. The presence of an applicant's occupation on the OSL negates the need for a labour market test. The NZIS reviews the OSL every six months. Reviews involve: (1) feedback from NZIS branches; (2) consultation with the Ministry of Social Development, Industry New Zealand, relevant industry groups, unions, recruitment specialists, and the Ministry of Education and District Health Boards; and (3) analysing available statistics.

Other categories under general work policy include: (1) Applicants with Specialist Skills Identified as Contributing to New Zealand's Economic Development; (2)

---

<sup>1</sup> The government agency responsible for helping New Zealanders into work and administering social security benefits.

Ministers of Religion, Missionaries, and Members of Religious Orders; (3) Interpreters from Japan; and (4) Crew of Chartered Foreign Fishing Vessels.

Further information about any of these policies can be found in the NZIS Operations Manual on the website at [www.immigration.govt.nz](http://www.immigration.govt.nz).

### *Work to Residence Policies*

The relevant policies are the Talent (Accredited Employers) Work Policy and the Priority Occupations List (POL) Work Policy. The NZIS grants successful applicants permits valid for 30 months and holders are eligible to apply for residence after 24 months.

Employers accredited under Talent (Accredited Employers) Work Policy may offer employment to foreign workers without the need to satisfy a labour market test. The NZIS would accredit an employer where satisfied that the employer inter alia had: human resource policies and processes of a high standard; a demonstrable commitment to training and employing New Zealanders; and good workplace practices, including a history of compliance with all immigration and employment laws.

The POL is list of occupations in absolute shortage nationwide. The policy provides a route to residence for people who have skills in absolute shortage in New Zealand.

### *Skilled Residence Policy*

Those people approved under work to residence policies are eligible after two years to apply for residence.

As the emphasis of the existing General Skills Category is to build capacity in New Zealand, job offers are not labour market tested. However, it is likely that under the new Skilled Migrant Category, applicants will receive bonus points for job offers in occupations in skill shortage areas.

## **What is the relative importance of temporary and permanent skilled migration?**

Table One shows, for the last three financial years, the number of people approved for skill shortage work permits<sup>2</sup> and the number of principal applicants approved for residence under the 1991 and 1995 General Categories or the current General Skills Category. The ratio of skilled people gaining work permits to skilled people gaining residence was 1.5:1 in 2001/02 and 2.1:1 in 2002/03.

---

<sup>2</sup> The NZIS classifies work permits issued under the following policies as skill shortage work permits: general work policy; specific purpose or event work policy; POL Work Policy; and Talent (Accredited Employer) Work Policy.

**Table One: People Approved for Skilled Shortage Work Permits and under the General / General Skills Categories for Residence**

	Temporary Entry	Residence	
	Skill Shortage Work Permits	General / General Skills Category	
		Principal Applicants	All Applicants
2001/02	18,631	12,398	31,359
2002/03	23,200	10,852	26,650

### **What programmes exist to attract and retain health professionals?**

There are no immigration policies specifically for health professionals. However, various types of health professional appear on both the regional OSLs and the nationwide POL. These lists can be viewed on the NZIS website. Further, people with health-related qualifications and work experience are eligible to apply for residence under the General Skills Category and the new Skilled Migrant Category, provided they are able to gain occupational registration in New Zealand.

### **Are there other specialised programmes for particular skills?**

#### *Specific Purpose or Event Work Policy*

This policy facilitates the entry of people who have demonstrated skills, expertise or attributes that are likely to benefit New Zealand, where there is no risk of negative impact on opportunities for New Zealand citizens or residents. People eligible under this policy include senior business people on short-term secondments, referees, adjudicators and examiners. Generally, applicants under this policy must only provide evidence that they are indeed entering for a specified period and purpose, and that they are qualified for that purpose.

### **How does New Zealand determine annual limits to skilled migration?**

In 2001, the New Zealand government introduced the New Zealand Immigration Programme (NZIP), with three separate streams for residence approvals. The structure of the programme ensures that government's economic, social and humanitarian objectives are met while securing net benefit for New Zealand.

The quantum and composition of the NZIP is set annually with regard to a range of factors, including the impacts of a given level of approvals on the economy, social cohesion and infrastructure, and the desirability of stability.

The 2002/03 and 2003/04 level of approvals were set at 45,000 places (+5,000). For each financial year, the government allocated 60% of those places (that is, 27,000 places +/- 3,000 places) to skilled and business migrants.

There are no limits on temporary entry policies for workers, except for caps on individual working holiday schemes.

## How significant is skilled migration in the context of overall migrant arrivals?

This question is answered in terms of people approved for skill shortage work permits and under skilled residence policies relative to people approved under other policies, rather than in terms of migrant arrivals at the New Zealand border.

As can be seen in Table Two, principal applicants approved under the General and General Skills Categories comprised 23% and 22% of all people approved for residence in 2001/02 and 2002/03, respectively. People approved for skill shortage work permits comprised 5% and 6% of all people approved under temporary entry policies in 2001/02 and 2002/03, respectively. Note that visitors arriving visa-free to New Zealand are not included in this analysis. Overall, therefore, skilled migrants made up 8% and 14% of total migrants approved in the years 2001/02 and 2002/03.

**Table Two: Skilled Migrants and Other People Approved under Residence and Temporary Entry Policies**

			2001/02	2002/03
Residence	General / General Skills	Principal Applicants	12,398	10,852
		All Applicants	31,359	<u>26,650</u>
	Business	Principal Applicants	1,371	1,141
		All Applicants	4,517	<u>3,793</u>
	Family-Sponsored	All Applicants	14,276	14,809
	International / Humanitarian	All Applicants	2,704	3,286
		Skilled / Total	23%	22%
Temporary Entry	Work	Skill Shortage Applicants	18,631	23,200
		Other Applicants	40,157	43,627
	Student	All Applicants	73,523	<u>87,838</u>
	Visitor	All Visa Required Applicants	238,604	240,350
			Skill Shortage / Total	0.05%

## Does New Zealand have arrangements to encourage skilled migrants to settle in particular areas?

The NZIS is piloting a regional immigration initiative with the Wellington and Southland / Clutha regions. The initiative is aimed at enhancing regions' abilities to utilise immigration to meet skill needs where positions cannot be filled within New Zealand, and supporting regional economic development strategies. The pilot is running for 18 months (from 1 July 2002). It is based on publicising the regions to potential migrants to inform their eventual settlement decisions, and on the regions

ensuring that they have the structures and support to attract migrants and encourage them to stay.

The new Skilled Migrant Category will offer bonus points for people who have job offer in areas of New Zealand other than Auckland, where a large proportion of migrants settle.

### **Does New Zealand have programmes to encourage skilled New Zealanders to return?**

The New Zealand government has no policies to encourage the repatriation of skilled New Zealanders abroad.

### **If a skilled migrant wants to migrate to New Zealand, how long is s/he permitted to remain?**

Skill shortage work permits are generally valid for the period covered by the offer of employment, but by regulation cannot be granted for longer than three years. However, permits granted under work to residence policies are valid for 30 months. People on these permits are eligible to apply for residence after 24 months in New Zealand.

Residents are permitted to remain indefinitely, but must apply for returning residents' visas if they wish to travel abroad and re-enter New Zealand.

### **How does a skilled migrant qualify for residence or citizenship?**

People approved under work to residence policies are eligible to apply for residence after working in New Zealand for two years. People approved for other skill shortage work permits who want to become New Zealand residents must apply under a category of Government Residence Policy (for example, the General Skills Category, a category of Business Immigration Policy, or a category of Family-Sponsored Policy).

A new resident is eligible for the grant of citizenship if s/he:

- has permanent residence;
- has made New Zealand his or her permanent home base for the last three years and has had valid immigration permits for all of that time;
- is of good character;
- knows the responsibilities and privileges of New Zealand citizenship;
- is able to understand and speak English; and
- intends to continue living in New Zealand or to work for a New Zealand organisation overseas.

Applicants under 14 years old are not required to meet the English, character and knowledge requirements. Applicants whose parents are New Zealand citizens (or are about to become New Zealand citizens) are not required to meet the ordinary residence requirement. Applicants married to New Zealand citizens need only to have made their permanent home base in New Zealand for the two years prior to applying for the grant.

Applicants who are Samoan citizens, under the terms of the Citizenship Act (Western Samoa) 1982, can become a New Zealand citizen by proving that they were in New Zealand on 14 September 1982 or, if they legally entered New Zealand after 14 September 1982, by obtaining permanent residence.

## Appendix A

### Points Distribution under the General and General Skills Categories for Residence

	11/91 –10/95	11/95 – 1/99	2/99 – 10/99	11/99 –6/02	7/02 to date
<b>Qualifications and Employability</b>					
Qualifications	15	12	12	12	12
New Zealand Qualifications	-	-	1	2	2
Work Experience	10	10	10	10	10
Job Offer	3	5	5	5	-
Job Offer - Relevant	-	-	-	-	5-8
Age	10	10	10	10	10
<b>Settlement Factors</b>					
Settlement Funds	2	2	2	2	2
Qualified Spouse / Partner	-	2	2	2	2
NZ Family Sponsor	2	3	3	3	3
Investment Funds	3	-	-	-	-
NZ Work Experience	-	2	2	2	2
Job Offer – Not Relevant	-	-	-	-	2
<b>TOTAL</b>					
<b>TOTAL</b>	43	44	45	46	46-9
<b>PASSMARK</b>	20-31	25-26	25	24-5	28-30

1. The points indicated are the maximum available for each criterion.
2. Since 1995, applicants have had to score at least 10 points for qualifications and 1 point for work experience.
3. From 1991 to 1995, applicants could score a maximum of five points for settlement factors. Since 1995, applicants have been able to score a maximum of five points for settlement factors.
4. Changes to the General Category since 1991 can be summarised thus: in 1995, the government shifted some emphasis from qualifications as a sign of employability to a job offer, and introduced points for new settlement factors (a qualified partner and New Zealand work experience). Points for investment funds were scrapped with the introduction of a separate Business Investor Policy. In 1999, an extra point was introduced for those who gained their qualifications in New Zealand and these people were exempted from the requirement for work experience. Later that year, the government made two points available to New Zealand graduates. In 2002, the government introduced a points premium for relevant job offers. How many points an applicant can score for a job offer relevant to his or her qualifications or work experience depends on the passmark.